

Regulatory Environment

We have a transparent and fully regulated operation to ensure our investors are only concerned with our “investment success”. We have a paid-in capital of TL2.5m and our business is regulated and authorised by the Turkish Capital Markets Board (www.cmb.gov.tr), to which we regularly report our capital adequacy and operational results. Our semi-annual and year-end IFRS financials are audited by an independent certified public accountant (www.degerymmm.com.tr) and published on Public Disclosures Platform (www.kap.gov.tr) together with any material event. All of our daily operations are monitored and reported by an internal compliance manager. We are a member of the Turkish Capital Markets Association (www.tspakb.com.tr), a professional association authorised by CMB to keep track of our employee licenses and impose disciplinary actions for any inappropriate conduct.

According to Capital Markets Board Regulations, all customer and fund assets shall be kept separately by an eligible custodian and at the same time, followed in sub-accounts opened at Istanbul settlement and custodian bank (www.takasbank.com.tr) and Central Registry Agency (www.mkk.com.tr). Our custodian service is provided by Akbank, (www.akbank.com.tr), the leading private bank in Turkey, owned by BBVA. Garanti Bank is *responsible* for cross-checking the movements of cash and securities in which the customers of portfolio management companies are involved. Their services include holding the physical assets in an account and maintaining records, carrying out transactions, and fulfilling tax obligations. Investors are able to *display* online their assets being held in custody at a branch of Akbank from <https://saklama.akbank.com> or via the proprietary interactive voice response system and the web-based monitoring service of *Takasbank*.

Marmara Capital’s (UCITS-like) equity fund is also strictly regulated by the CMB. Our fund administration (including book-keeping, back-office, risk monitoring and regulatory disclosures) is provided by a subsidiary of Garanti Bank, Garanti Hizmet Yönetimi. Our fund’s daily NAV is also independently calculated by Garanti Hizmet Yönetimi and can be accessed daily via www.fundturkey.com.tr. Detailed statistics about our fund unit subscriptions, redemptions, brokerage transactions (with commissions paid), asset breakdown, and portfolio turnover are disclosed monthly in Public Disclosures Platform.